

South Central Gaming Zone - Sumner County, Kansas
Gaming Revenue and Casino Visit Projections



Prepared For:
Kansas Lottery Gaming Facility Review Board Meeting
October 26-27, 2009

Wells Gaming Research

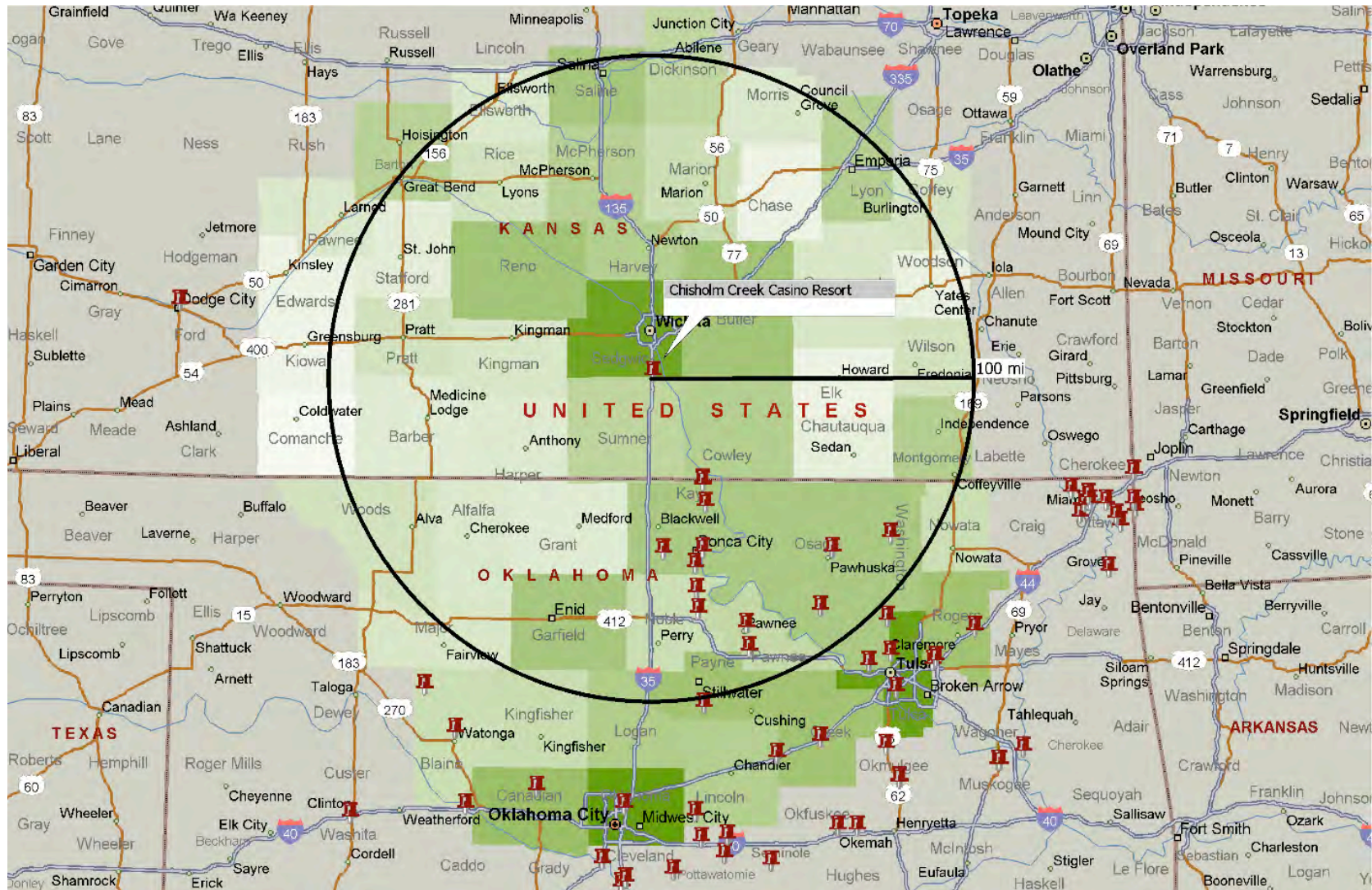
Methodology

- Used WGR's proprietary gravity model
- Used 2009 annualized data as status quo for baseline projections
- Population data at census tract level for 2000 and 2008-2015
- Defined and ran 3 primary scenarios and 7 supplemental scenarios that show a single midpoint estimate and the percent expected variance at a 68% confidence interval

SC Kansas Trade Area

- Trade area (approximate 125-mile radius) includes 32 counties in Kansas and 21 counties in Oklahoma
- The trade area population is 3,032,068; of which 2,098,260 are adults
- Of the adult population, 455,119 (22%) live in Sumner County and the seven contiguous counties

SC Kansas Trade Area Map



Existing Casinos / Under Construction

- Existing competition includes 61 casinos in Oklahoma
- Total existing capacity: 35,197 slots, 348 pit tables, and 223 poker tables
- Boot Hill Casino projected opening in 2010
- Expansions at both Cherokee Hard Rock (1 large entertainment) and River Spirit (1,700 parking spaces)

Capacity Comparison - 2009 vs. 2008

Capacities & Amenities	2009 Application Chisholm Creek		2008 Applications (Projections Made by WGR for 2012) ¹		
	Phase I (2012)	Full Build Out (2015)	Harrah's	Trailhead (Marvel)	Hollywood (Penn National)
Casino:					
# of Slots	1,300	2,000	2,000	2,000	1,500
# of Tables Games (inc Poker)	30	50	59	83	40
Hotel Rooms	0	150	365	304	350
Restaurants/Entertainment:					
# of Restaurants	3	5	5	4	5
# of Entertainment Venues	0	3 ¹	4	3	2
Convention Square Footage	0	12,000 ²	30,338	40,000	30,000
Sports/Recreation Facilities:	Not Specified	Not Specified	3	6	2
Parking:	1,925	3,000	3,234	3,150	2,950
# of Retail Outlets	1	1	2	4	1
# of FTE's (full time equivalents)	874	Not Specified	1,187	1,520	875

Footnotes:

1. Live entertainment venue in addition to multipurpose meeting and entertainment venue.
2. Multipurpose meeting and entertainment venue.



Revenue and Visits Comparison - 2009 vs. 2008

(Numbers in Millions)

Capacities & Amenities	2009 Application Chisholm Creek		2008 Applications (Projections Made by WGR for 2012) ¹		
	Phase I (2012)	Full Build Out (2015)	Harrah's	Trailhead (Marvel)	Hollywood (Penn National)
Capital Investment	\$125.0	\$225.0	\$450.0	\$393.2	\$365.0
Gaming Revenues:					
Applicant	\$117.0	\$230.0	\$252.4	\$258.2	\$194.2
WGR	\$139.8 ²	\$206.1 ²	\$203.9	\$138.4	\$125.7
Difference	-\$22.8	\$23.9	\$48.5	\$119.9	\$68.6
% Difference	-19.5%	10.4%	19.2%	46.4%	35.3%
Visitor Projections:					
Applicant	1.86	3.02	3.32	2.58	2.52
WGR	2.04	2.71	2.92	1.82	1.66
Difference	-0.19	0.31	0.39	0.75	0.86
% Difference	-10.2%	10.3%	11.7%	29.1%	34.1%

Footnotes:

1. Recap of WGR's projections as presented to the Board in September 2008.

2. At a 68% confidence interval, revenues can be expected to vary by +8% and -10% for Phase I, and +6% and -7% for Full Build Out.

Richard H. Wells, Experience & Qualifications

Wells is founder and president of **Wells Gaming Research**, a Nevada Corporation that provides Casino Player Count Service™, a market share tracking service to clients for 335 casinos in Nevada, Mississippi, Louisiana, New Mexico, California, and Macau.

Wells Gaming Research also performs a wide range of consulting and gaming research assignments including casino market studies, financial feasibility studies, financial projections, due diligence, litigation support, legislative issue support, and gaming industry expert witness services for the gaming industry.



Wells has fifteen years experience as a senior executive in the casino-hotel industry with Holiday Inns, Harrah's, and Bally's. Wells has also held positions in management, planning, and financial analysis for a large regional bank and a major international oil company.

Wells has a B.S. degree in business from Oklahoma State University and completed a post-graduate program in Systems Dynamics at M.I.T. Wells has participated in a wide range of community service activities and is listed in Marquis Who's Who in Finance and Industry and Marquis Who's Who in America.